



North Carolina Department of Health and Human Services
Office of the Controller

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Secretary DHHS

Laketha M. Miller
Controller

March 20, 2013

Memorandum #2013-08

TO: Division Directors
Division Budget Officers

FROM: Laketha M. Miller *Laketha M. Miller*

SUBJECT: Cost Allocation Process Changes

The purpose of this memo is to notify you of cost allocation process changes. The Office of the Controller (OOC) will be submitting a comprehensive DHHS Public Assistance Cost Allocation Plan (PACAP) effective July 1, 2013. Currently, Divisions have individual cost allocation plans (CAPs) but these will now become part of the comprehensive DHHS PACAP.

The goal of a CAP is to ensure that costs are accurately and equitably allocated to all benefiting programs. Submission of a PACAP will require Division staff and OOC staff to work closely together. A comprehensive Department plan will require processes and terminology to be more standardized. Receipt of necessary information in a timely manner will be critical.

The OOC Cost Accounting Branch has designed a standard CAP Update Request form. (See attachment.) Heretofore, divisions have been allowed to set up new cost centers, to begin charging expenditures and to earn Federal receipts immediately. Going forward, however, divisions will be required to submit the CAP Update Form to the Cost Accounting Branch before Federal funds can be cost allocated to those new cost centers. State funds would have to cover expenditures in new centers with Federal funding until the form is received. Our staff has had meetings with Division Budget Staff to review the form and to discuss the changes in procedure. Again, in order to meet the July 1, 2013 deadline for implementing the DHHS PACAP, the requirement to submit the CAP Update Form will be effective April 1, 2013.

We appreciate your continued cooperation as the Department moves forward with changes to the cost allocation process. If you have any questions, please call Suzanne Beasley at (919) 855-3704 or via email at Suzanne.Beasley@dhhs.nc.gov. Thank you in advance for your cooperation.

Attachments

Cc: Curtis Crouch Suzanne Beasley

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**North Carolina Department of Health and Human Services
Division of
Cost Allocation Plan (CAP)
Update Request**

*RCC # _____ ☐ Check if this is a New RCC

*RCC Title _____
☐ Check if this is a Title Change to an Existing RCC

*Effective date of this Change: _____ Budget Amount: _____
(For new RCC)

Items to be changed (check items that apply, provide information where applicable):

- ☐ 1. This RCC should be made inactive.
☐ 2. This RCC replaces RCC # _____ (Complete another CAP form for inactive RCC.)

☐ 3. Funding sources for this RCC have changed as follows (provide FRC & Title):

Additions	Deletions

☐ 4. The Supervising RCC for this RCC is (for new RCC) or has changed to, RCC _____.

- ☐ 5. This RCC should be allocated based on:
- ☐ a. RCCs Supervised or Supported (please provide RCC numbers _____)
 - ☐ b. Direct Charged to Program (please provide FRC _____)
 - ☐ c. Time Sheet
 - ☐ d. Other Statistics (please be specific) _____

☐ 6. The Narrative Description for this RCC is (for a new RCC) or has changed to: (Please be complete but concise, providing enough information that the reader will know what services are provided by this cost center or what other purpose it may serve):

☐ 7. *The justification for changes made on this form is (i.e. reorganization, changes in state or federal laws/mandates, audit findings, etc.):

Requested by: _____	Date _____
Approved by _____	Date _____
Program Section _____	Date _____
Official: _____	
*Approved by _____	Date _____
Budget officer: _____	Date _____

***Required for all Submissions**